## Montana Board of Oil and Gas Conservation Environmental Assessment

## Proposed Action -Approval of Drilling Permit for:

Operator: Black Butte Energy
Well Name/Number: _Castle Rock #1
Location: SESW sec 24, T28N., R5W.
County:Pondera, MT; Field (or Wildcat) W/C
Air Quality
(possible concerns)
Long drilling time no - about one week
Unusually deep drilling (high horsepower rig) no -small single/double
Possible H2S gas production trace in Madison
In/near Class I air quality area <u>No</u> Air quality permit for flaring/venting (if productive) probably not
dues to small volumes
dues to small volumes
Mitigation:
Air quality permit (AQB review)
x Gas plants/pipelines available for sour gas
Special equipment/procedures requirements
Other:
Comments: _Madison oil test about 3000 feet
<u>TD</u>
Water Quality  (possible concerns)  Salt/oil based mudno  High water tableno  Surface drainage leads to live water No  Water well contaminationno closest well about ¼ mile away -200'  deep -above surface casing setting depth  Porous/permeable soilsMaybe
Class I stream drainage
Mitigation:
Lined reserve pit xx Adequate surface casing
Berms/dykes, re-routed drainage
Closed mud system
Off-site disposal of solids/liquids (in approved facility)
Other:
Comments: Fresh water or sir/mist drilling fluid is customary in
this area.
Soils/Vegetation/Land Use
(possible concerns)
Steam crossings no
High erosion potential no <u>-flat cultivated field</u>

Loss of soil productivity _no- will be reclaimed to cultivation
Unusually large wellsite <u>no- 200x300'</u> Damage to improvements <u>no</u>
Conflict with existing land use/values temporary
Mitigation
Avoid improvements (topographic tolerance)
Exception location requested
<u>x</u> Stockpile topsoil
<pre> Stream Crossing Permit (other agency review) x_ Reclaim unused part of wellsite if productive</pre>
Special construction methods to enhance reclamation
Other
Comments: private cultivated surface
Health Hazards/Noise
(possible concerns)
Proximity to public facilities/residencesabout 0.8 miles Possibility of H2S _small quantities possible
1 OSSIBILITY OF 1120 _SMAIL QUARTETETES POSSIBLE
Size of rig/length of drilling time
Mitigation:
_x Proper BOP equipment
Topographic sound barriers
<pre> H2S contingency and/or evacuation plan Special equipment/procedures requirements</pre>
Special equipment/procedures requirements Other:
Comments: shallow Madison oil test no special concerns
Wildlife/recreation
(possible concerns) Proximity to sensitive wildlife areas (DFWP identified) n/a_
Proximity to sensitive wildlife aleas (Drwr identified) n/a_ Proximity to recreation sitesnone
Creation of new access to wildlife habitatno
Conflict with game range/refuge management no
Threatened or endangered Species Lynx, Plover, Bull Trout
but no habitat likely to be affected
Mitigation:
Avoidance (topographic tolerance/exception)
<pre> Other agency review (DFWP, federal agencies, DSL) Screening/fencing of pits, drillsite</pre>
Other:
Comments:no concerns
Historical/Cultural/Paleontological
(possible concerns)
Proximity to known sitesnone known
Mitigation
Mitigation avoidance (topographic tolerance, location exception)
avoidance (copographic corerance, rocaction exception)

other agency review (SHPO, DSL, federal agencies)
Other: Comments: No known sites, private property -surface owner
controls disposition of any cultural artifacts
Conin 1 / Boomeria
Social/Economic (possible concerns)
Substantial effect on tax base
Create demand for new governmental services
<pre> Population increase or relocation Comments:no concerns</pre>
Remarks or Special Concerns for this site
3000' Madison oil test, no special concerns
Summary: Evaluation of Impacts and Cumulative effects
Minor impacts dues to surface construction, no long term impacts
unless production is established.
Wellsite will be reclaimed if dry hole and reduced to operational
area for producing well
I conclude that the approval of the subject Notice of Intent to Drill
(does/ <u>does not</u> ) constitute a major action of state government significantly affecting the quality of the human environment, and
(does/ <b>does not</b> ) require the preparation of an environmental impact
statement.
Prepared by (BOGC):T. Richmond
(title:)Administror
Date:January 16, 2014
Other Persons Contacted:
_MT Cadastral Website
(Name and Agency)
ownership, topo map and aerial photo
(subject discussed)January 16, 2014
(date)
<pre>If location was inspected before permit approval: Inspection date:</pre>
Inspection date:
Others present during inspection: